

DDA SUBJECT FILE COPY
DD/A Registry
87-0122X
Date 1/22/87

ROUTING AND TRANSMITTAL SLIP

TO: (Name, office symbol, room number, building, Agency/Post)		Initials	Date
1. D/Training & Education			
2.			
3.			
4.			
5.			
Action	File	Note and Return	
Approval	For Clearance	Per Conversation	
As Requested	For Correction	Prepare Reply	
Circulate	For Your Information	See Me	
Comment	Investigate	Signature	
Coordination	Justify		

REMARKS

STAT



STAT
STAT

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
EXA/DDA	7D18 HQ

5041-102

US GPO: 1983 - 421-529/320

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

EXECUTIVE ENTERPRISES, INC. / 22 WEST 21ST STREET / NEW YORK, N.Y. 10010-6904 / 212-645-7880

Executive Enterprises, Inc. is proud to announce its 1987 conference on:



STRATEGIC ASSET ALLOCATION

March 4-5, 1987

Hyatt Regency
San Francisco, California

The dynamic management of asset allocation is the most critical level of your portfolio management and there is a new wave of completely different asset allocation products. It has been said that 80% of total pension returns are received from an appropriate asset allocation model - - the rest is fine tuning. In the future, sponsors will spend less and less time in manager search and more and more time choosing appropriate asset allocation strategies. They must begin to devote more money to passive management and spend more time choosing appropriate models.

There has been a heightened awareness of the critical importance of asset allocation. The purpose of this conference will be to make portfolio managers more aware of new asset allocation techniques, and how new derivative investments in program trading affect them.

Asset allocation was not possible ten years ago. To move money then from stocks and bonds was too expensive. Now with derivative investments and program trading you have an instrument to facilitate these desirable arrangements. There is a whole new industry blossoming in asset allocation.

This conference has been designed to meet the needs of corporate treasurers, pension fund officers, portfolio managers and investors.

The FASB '87 discussion will comprehensively cover the financial implications including the selection of the reserved asset for portfolio insurance and surplus protection vs. asset protection in the context of a stronger linkage between corporate finance and sponsor funding of pension liabilities. Managing funded status will also be discussed as a strategy in asset allocation whereby one protects assets relative to liabilities to assure a future surplus status.

Other issues to be comprehensively explored in these two fast-paced days include:

- . Approaches to Tactical Asset Allocation
- . Impact of Shifting Asset Mix on a Portfolio
- . Keys to Various Asset Allocation Strategies
- . Pros and Cons of Portfolio Insurance
- . Program Trading

Don't miss this opportunity to learn new ways to solve the complex challenges of making strategic asset allocation decisions. Please review our agenda.

March 4-5, 1987

Hyatt Regency
San Francisco, California

Chairman

LOUIS KINGSLAND
Senior Vice President
Callan Associates
San Francisco, California

March 4, 1987

9:00 - 9:15	Welcome and Opening Announcements	Executive Enterprises, Inc. Staff
9:15 - 10:00	OVERVIEW: ASSET ALLOCATION IN 1987	LOUIS KINGSLAND Senior Vice President Callan Associates San Francisco, California
	<ul style="list-style-type: none">. Setting Framework for the Conference. Tactical Asset Allocation. Asset Allocation Strategy & Policy. Outlook for Strategic Asset Allocation in Light of FASB '87. Portfolio Insurance vs. Conservative Asset Allocation	
10:00 - 10:15	Coffee Break	
10:15 - 11:30	TACTICAL ASSET ALLOCATION	WILLIAM L. FOUSE Chairman Mellon Capital Management Corporation San Francisco, California
	<ul style="list-style-type: none">. Case Study of a Quantitative Model. How Should It Be Done?. Is There Such a Thing as Policy Asset Allocation?. Approaches to Tactical Asset Allocation<ul style="list-style-type: none">- Looking forward, not backward- Active asset allocation vs. market timing- The perversity of passivity- Implications of a self- correcting economic system- Selling insurance- Transactions costs -- a critical factor	
11:30 - 12:00	Question and Answer and Discussion Session	Chairman, Faculty and Audience Participation
12:00 - 1:30	Luncheon	
1:30 - 2:30	ASSET ALLOCATION STRATEGY AND POLICY	CRAIG J. LAZZARA Managing Director TSA Capital Management Los Angeles, California
	<ul style="list-style-type: none">. The Asset Allocation Hierarchy. The Impact of Strategy on Policy. The Impact of Policy on Strategy. Performance Measurement and Attribution	

2:30 - 2:45 Coffee Break

<p>2:45 - 4:00 FASB '87 - IMPLICATIONS FOR PORTFOLIO INSURANCE</p> <ul style="list-style-type: none"> . Selection of the Reserve Asset for Portfolio Insurance - Synthetic T-Bills or T-Bonds . Surplus Protection vs. Asset Protection <ul style="list-style-type: none"> - Strengthening the linkage between corporate finance and sponsor funding of pension liabilities 	<p>BRIAN S. BEAN Assistant Vice President- Financial Futures Department Kidder Peabody & Co., Inc. Los Angeles, California</p>
<p>4:00 - 5:00 Question and Answer and Discussion Session</p>	<p>Chairman, Faculty and Audience Participation</p>

March 5, 1987

<p>9:00 - 10:00 PORTFOLIO INSURANCE VS. BALANCED TRADING STRATEGIES</p> <ul style="list-style-type: none"> . Partial Survey . Long Run Cost of Portfolio Insurance . Upside Capture and Volatility . Mispricing and Stability . Portfolio Insurance vs. Conservative Active Allocation 	<p>F.J. GOULD, Ph.D. Hobart Williams Professor of Applied Mathematics Graduate School of Business University of Chicago -and- President Investment Research Company Chicago, Illinois</p>
<p>10:00 - 10:45 THE PROS & CONS OF PORTFOLIO INSURANCE</p> <ul style="list-style-type: none"> . Is it a Fad or A Major Asset Allocation Innovation? . Is it Needed and By Whom? . What Risks If Any Should Be Insured? . Do Implementation Problems, Such As Futures Mispricing, Make It Cost Too Much? . Is Implementation Destabilizing the Stock Market . Does it Reallocate Capital in the Economy in Desirable or Undesirable Ways? 	<p>MIKE N. ALEX Vice President & Equity Manager for Strategic Investments Northern Trust Company Chicago, Illinois</p> <p>JOANNE M. HILL, Ph.D. Vice President Research & Product Development Group Financial Futures Department Kidder Peabody & Co., Inc. New York, New York</p>

10:45 - 11:00 Coffee Break

11:00 - 12:00 MANAGING THE FUNDED STATUS

GIRISH V. REDDY
Senior Vice President
Leland O'Brien Rubinstein
Los Angeles, California

- . An Asset Allocation Strategy to Manage Your Pension Fund's Funded Status
- . Asset/Liability Protection
- . Comparison of Conventional Asset Mix vs. Dynamic Mix
- . Tradeoffs Involved Between Two Strategies
 - Past
 - New Techniques

12:00 - 1:30 Lunch Break

1:30 - 2:30 PROGRAM TRADING AND TRANSACTIONAL COSTS

MIKE N. ALEX
Vice President &
Equity Manager for
Strategic Investments
Northern Trust Company
Chicago, Illinois

- . Using Program Trading to Reduce Transactional Costs
 - Costs which can debilitate the aggressive movement of assets
 - Liquidity
- . Effect of Program Trading on the Market in General
 - Effect in arbitrage or futures-related activities
 - One approach to making things happen in portfolio insurance
- . How Program Trading Works Operationally
 - Selling strategies via computer programs
- . The Derivative Market -- Strategies of Interest
 - Hedging
- . Creative Techniques to be Used in the Execution of Program Trading

2:30 - 3:30 Question & Answer Discussion Session

Chairman, Faculty &
Audience Participation

3:30 Adjournment

Chairman

LOUIS KINGSLAND
Senior Vice President
Callan Associates
San Francisco, California

Faculty

MIKE N. ALEX
Vice President & Equity Manager
for Strategic Investments
Northern Trust Company
Chicago, Illinois

F.J. GOULD, Ph.D.
Hobart Williams Professor
of Applied Mathematics
Graduate School of Business
University of Chicago
and
President
Investment Research Company
Chicago, Illinois

BRIAN S. BEAN
Assistant Vice President -
Financial Futures Department
Kidder Peabody & Co., Inc.
Los Angeles, California

JOANNE M. HILL, Ph.D.
Vice President
Research & Product Development
Group
Financial Futures Department
Kidder Peabody & Co., Inc.
New York, New York

WILLIAM L. FOUSE
Chairman
Mellon Capital Management Corporation
San Francisco, California

CRAIG J. LAZZARA
Managing Director
TSA Capital Management
Los Angeles, California

GIRISH V. REDDY
Senior Vice President
Leland O'Brien Rubinstein
Los Angeles, California

EXCLUSIVE SEMINAR DOCUMENTATION

If you cannot attend the seminar, the meeting materials will be available for purchase after the seminar date. Please indicate your request to purchase the materials on the registration form or call (212) 645-7880 and ask for Seminar Notebook Sales.

UNDER THE TAX REFORM ACT OF 1986, THIS SEMINAR'S REGISTRATION FEE, WHICH INCLUDES TUITION, LUNCHEON, REFRESHMENTS, AND COURSE MATERIALS, CONTINUES TO BE FULLY TAX DEDUCTIBLE TO ATTENDEES AND/OR THEIR ORGANIZATIONS. YOUR RELATED TRAVEL AND HOTEL EXPENSES ARE ALSO FULLY DEDUCTIBLE. OPTIONAL, PERSONAL EXPENSES RELATED TO ATTENDANCE WILL BE 80% TAX DEDUCTIBLE.

REGISTRATION/HOTEL INFORMATION

REGISTRATION FEE

\$875.....first registrant

\$775.....second registrant from the same organization

\$650.....each additional registrant from the same organization

The full fee is payable in advance and includes the cost of the luncheon on the first day, coffee and soft drinks, and the program notebook. Please make checks payable to Executive Enterprises, Inc. Be sure to include a completed registration form with your payment to assure proper processing.

TO REGISTER: Session # 73FIN08/E7134

BY PHONE - Within New York State.....(800) 831-8333

Outside New York State....(800) 223-0787

Outside United States.....(212) 645-7880

When you call in your reservations, the registrar will be asking you for the following information: The session code number (73FIN08), the package number (E7134), and the code on the mailing label above your name. This information will help us to speed up your registration.

BY MAIL

Fill out and return the enclosed form to Executive Enterprises, Inc.,
22 W. 21st Street, New York, New York 10010-6904.

CANCELLATION POLICY

Registrants may send a replacement or may transfer at any time prior to the meeting, at no additional fee. Registrants who cancel more than seven (7) working days before the meeting will receive a full refund. Registrants who cancel later than seven working days before the meeting will have the full fee applied to a future meeting. Registrants who do not attend or who fail to transfer their registrations seven working days prior to the meeting are liable for the entire fee.

EDUCATIONAL COURSE CREDIT

All seminar attendees may request a Certificate of Completion for each course attended. If you require Continuing Professional Education credit and wish Executive Enterprises, Inc. to file an application with your state board, complete and return the CPE request with your registration, at least thirty days before the meeting you plan to attend begins. Should any review board require a filing fee for accreditation review, these fees are to be borne by the individual(s) requesting the credit. If this is the case, Executive Enterprises, Inc. will notify you of the amount necessary to remit to complete the filing.

WHEN AND WHERE

March 4-5, 1987
Hyatt Regency
5 Embarcadero Center
San Francisco, CA 94111
(415) 788-1234

AIR TRAVEL DISCOUNTS AND HOTEL ACCOMMODATIONS

Arrangements have been made with Direct Travel, Inc. to provide registrants with professional travel services via one phone call. By calling toll-free 1-800-331-4526 (or 1-212-302-7660 within New York State), you can receive the lowest air fares available--with discounts up to 45%--and arrange for hotel reservations and car rentals at low group rates. When calling, please identify the name of the seminar, the city destination, the dates you wish to fly, your hotel requirements, and reference a major credit card for payment. Travel documents will be mailed directly to you. You are advised to make travel reservations early since the hotel will hold a block of rooms only until four weeks before the meeting.

S E M I N A R R E G I S T R A T I O N

Please register the following in: STRATEGIC ASSET ALLOCATION.

March 4-5, 1987, Hyatt Regency, San Francisco, CA
Session # 73FIN08

NAME _____ TITLE _____

NAME _____ TITLE _____

FIRM _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

TELEPHONE _____

P.O. # _____

(Government Employees Must Provide P.O. #)

_____ Confirming phone registration on _____

CPE REQUEST

Please file an application in the state(s) of _____

for _____ Legal, _____ Accounting CPE credit. I plan to

attend _____
name/date/city of seminar

_____ I am unable to attend the seminar but wish to purchase the meeting materials. A check for \$99.95 (includes postage and handling; New York residents add appropriate sales tax) is enclosed. I understand that this order will not be recieved until four weeks after the meeting date.

MAIL TO: Executive Enterprises, Inc., 22 West 21st Street, New York, New York 10010-6904.

E7134